

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



NOTICE REGARDING ELECTRONIC FILING REQUIREMENTS

January 15, 2004

**Requirement to File Certain Monthly Sales and Use Tax Returns and
to Make Sales and Use Tax Payments Electronically**

Pursuant to Section 47-4402(c) of the D.C. Official Code, the Office of Tax and Revenue (OTR) has published regulations that require certain business taxpayers to file and pay taxes electronically if the amount of the payment due for a tax period exceeds \$25,000. See *DC Register*, April 11, 2003.

The District has set a goal to increase electronic tax filing and payment. This effort began in June 2003 with monthly Employer Withholding Tax returns. We will now phase in monthly Sales and Use Tax returns. Beginning with the February 2004 tax period, for taxes due March 20, 2004, **all business taxpayers filing monthly Sales and Use Tax returns with required monthly payments of more than \$25,000 must file and pay electronically**. This applies to business taxpayers and third-party filers in and outside the District.

OTR will identify current taxpayers who must file and pay electronically. These taxpayers will be sent a notice of the electronic filing requirement. The notice will explain how to register for electronic filing and payment. Effective with the February 2004 tax period, designated taxpayers will be asked to begin paying monthly Sales and Use payments by (1) ACH Credit or (2) ACH debit.

To pay by ACH Credit, read the specifications in the *ACH Credit Guide* posted at http://www.taxpayerservicecenter.com/ACHCredit_Information.pdf.

To pay by ACH Debit, register for OTR's Electronic Taxpayer Service Center (eTSC). Download the registration form at <http://www.taxpayerservicecenter.com/GetStarted.jsp> and mail it to the address indicated (Attn: "eTSC Registration") or fax it to (202) 442-6388. OTR will send you a user ID and password that will give you 24-hour access to the eTSC site. You can view your accounts, file monthly Sales and Use returns, and make monthly payments using the eTSC site.

The regulations in 9 DCMR 105 set penalties for failure to file and pay electronically. These penalties will apply to taxpayers who are notified that they must file and pay electronically and who fail to do so.

If you have technical questions about this requirement or electronic access, please contact **George Conly**, Acting E-Commerce Manager, at (202) 442-6371. If you have a legal question about this requirement, contact **William Bowie**, Attorney-Advisor, at (202) 442-6512.